

Chief, D/I

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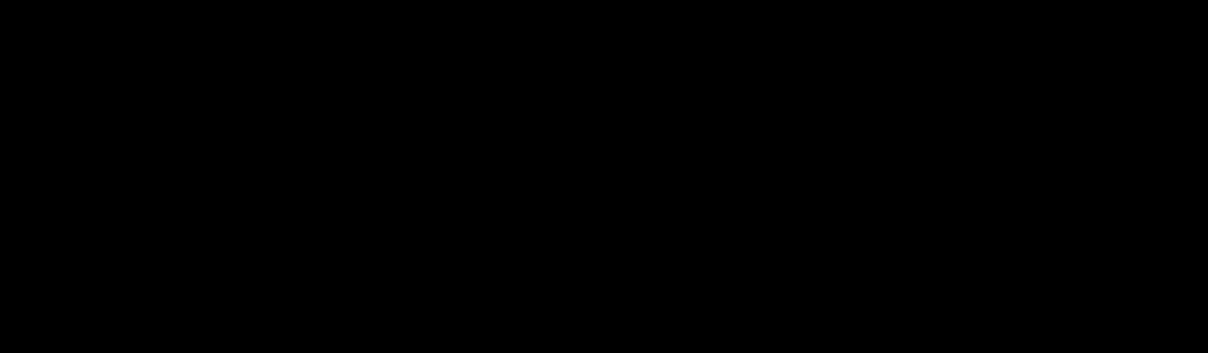
TO: Assistant Director for Research and Reports  
FROM: Acting Chief, Economic Research Area  
SUBJECT: Activity Report for the Month of November

Current and Other Support Activity

1. Current support activity during November was marked by the Area-wide effort on the Soviet Seven-Year Plan Theses. The resulting DCI memorandum was widely distributed throughout the government and elicited favorable comments. The White House requested clearance of the material for public dissemination.
2. Other current support activity included NSC briefings on Soviet Civil Defense and Soviet Civil Air, a continued high level of support to the Watch Committee on the Taiwan Straits, Berlin, and Middle East situations and preparation of articles for OCI publications on a variety of subjects. In addition to the Soviet Seven-Year Plan Theses mentioned above, particular attention was paid to the Iraqi receipt of Soviet arms, the economic background of East-West German relations, and developments in the Chinese communes and "leap forward" programs.
3. Mrs. [REDACTED] of S/TR has been rendering increasing support on current Soviet and Chinese shipping activities. She is being commended by OCI for her unique and timely reporting on Soviet arms shipments to Iraq. Additionally, her recent rack-up of Chinese Communist chartering activities is being used as a collection brief by the Department of State.
4. Representatives of I/PE and S/TD have been active in planning for CIA participation in a Commerce Department proposal to obtain more effective control over U.S. exports of technical data. Items selected must be (a) highly specific, (b) susceptible of effective unilateral U.S. control, and (c) have an appreciable impact on the military-industrial potential of the Bloc or on the penetration of underdeveloped areas. Representatives of other components of ERA have been consulted and will work with interagency task groups in the selection of items that might be subject to such controls.

Research, Planning and Program Developments

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7. To meet the need for basic and timely information on significant developments in the Bloc iron and steel industries, Materials Division plans to prepare annual summary reviews on the status of the industry in the USSR, European Satellites, and the Far East respectively. The scheduling of the reviews will be coordinated with the NIS production schedule.

8. ACSI (Army) admits that its definition of telecommunications equipment is so narrow as to exclude a wide variety of industrial electronic equipment. It is believed that ACSI would agree to permit CIA to assume the NIS responsibility for industrial electronics production. This possibility is being explored further.

Briefings and Speeches

9. Acting Chief/E and the Division Chiefs conducted two briefings to acquaint State Department officers with the functions and activities of the Economic Research Area. Those briefed included David Henry, Chief, DRS, John Lacy, Chief, DRF, and Edwin Martin, Director, Office of Chinese Affairs. It is hoped to repeat these briefings for certain other State Department officers dealing with Bloc countries.

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10. Messrs. [REDACTED] briefed the Strategic Planning Staff of State Department on 25 November on the long run threat of Soviet economic competition.

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11. On 20 November Mr. [REDACTED] Chief, D/S, spoke on the "Soviet Economic Threat to the Free World" to Business International (New York City), a cooperative research and publishing group representing more than 100 major industrial firms. On 25 November he made a presentation, "Analysis of Soviet International Economic Activities", to the Inter-American Defense Board in Washington, D.C.

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12. [REDACTED] Chief, I/GM briefed the Ad Hoc Panel of Consultants convened by the Chairman, USIB, to consider the status of the Soviet ICBM program. The briefing was concerned primarily with the fragmentary evidence available to U.S. intelligence on the production and deployment of Soviet ICBMs, and the implications of the lack of conclusive evidence of such activity in the USSR at the present time. These subjects received particular attention in the Panel's final report to USIB.

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13. Mr. [REDACTED] (I/GM) and Mr. [REDACTED] (GMD/OSI), briefed a regional meeting of OD Field Officers in Chicago on collection of information related to Soviet long-range ballistic missiles. Subsequent discussions revealed the value to the Field Officers of this type of briefing, as well as their belief that they can contribute to the fulfillment of current requirements for missile information. The briefing will probably lead to additional invitations from OD/C for this type of support and has already

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brought about a closer working contact between the Guided Missile Branch [REDACTED] 25X1C10b  
 and OO/C Headquarters [REDACTED] 25X1C10b  
 During his trip to the [REDACTED] Mr. [REDACTED] (I/GM) also discussed 25X1A9a  
 missile collection problems in some detail with [REDACTED] 25X1A6b  
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14. Briefings on Soviet military expenditures and costing were given by I/ME to members of the Assistant Secretary of Defense (Comptroller)'s staff and to the Air Information Staff of the Library of Congress.

#### Developments in Guided Missile Intelligence Procurement

15. Several meetings concerning the status of the Guided Missile Task Force took place between members of ORR, OSI and SR/DD/P. These meetings culminated in a meeting of the DDCI, AD/RR, DAD (Collection)/SI, and Acting Chief, SR/DD/P on 25 November. The result of this meeting was to reaffirm the importance of DD/I participation in DD/P missile collection efforts and to continue the Guided Missile Task Force as the focal point for this participation. Prior to the meeting with the DDCI, Acting Chief, SR held a special meeting of all SR staff members, Branch and Deputy Branch Chiefs and the Guided Missile Task Force. As a result of this meeting, it seems that guided missile information is the chief collection target of SR Division, that SR Headquarters Chiefs and Case Officers will be expected to develop new collection projects on missile information and that some form of inner group will develop within SR Division to highlight missile collection activities.

16. Mr. [REDACTED] (I/GM), in conjunction with OSI, prepared for DD/P a collection guide and specific requirements for observational collection on Soviet deployment of long-range guided missiles. This guide, with accompanying graphic materials, is intended to augment CIA/RR MP-223 (Draft Collection Planning Aid on the Soviet ICBM Program) and will be widely distributed to collection facilities in the U.S. and abroad. At the request of DD/P, a map was also prepared jointly with OSI specifying the locations of guided missile personality and organizational targets for collection in the Moscow area.

17. On 17-19 November, a CIA team of which ORR was represented by Mr. [REDACTED] (I/GM) visited the Ballistic Missile Division, ARDC/USAF, to discuss CIA acquisition of BM documents, a long-standing problem. The meetings resulted in a Memorandum of Understanding which provides for regular distribution to CIA of all BM accessions lists, contractor reports and studies, film catalogues, and other selected materials concerning U.S. and Air Force ballistic missile and space flight programs. Mr. [REDACTED] and [REDACTED] (I/GM) also had particularly fruitful discussions with the [REDACTED]

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18. The growing requirement for Branch support to collection programs was also reflected by the decision during November to assign Mr. [REDACTED] (I/GM) to [REDACTED] to provide direct

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US-USSR Exchanges

19. A proposal for a US-USSR exchange of civil transport aircraft has been coordinated with AFCIN-4 and forwarded to the USIS Ad Hoc Committee on Exchanges for Consideration.

20. The EMC Subcommittee on Machinery and Equipment is considering an Air Force proposal for a US-USSR exchange in the heavy press field. The Subcommittee discussed the various aspects of technological versus intelligence gain and appointed a working group including a member of AFCIN-4 to further explore the proposed exchange and to make appropriate recommendations to the Subcommittee.

Miscellaneous

21. A professional association of scholars interested in economic research on the USSR and Eastern Europe has been formed within the American Economic Association. The first formal gathering is scheduled for the Chicago meetings of the AEA, 27-29 December.

22. The annual field recruiting activity of the ERA concluded in November, and application forms from candidates have begun to come in. To date thirteen candidates have responded, of whom eight were put in process by the ERA; the remainder have been referred to other Agency components.

23. The European Satellites Committee devoted two sessions to discussion of problems associated with collection, dissemination, and translation of foreign publications. A report on these problems and recommendations for their resolution will be made at a later date.

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